



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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March 8, 2002

TO: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley  
Auditor-Controller

SUBJECT: **DEPARTMENT OF HEALTH SERVICES CONTRACT MONITORING**

On July 24, 2001, your Board instructed the Department of Health Services (DHS) to centralize its contract monitoring function, and instructed DHS and the Auditor-Controller to report back within six months on how the changes in DHS' contract monitoring were working.

DHS indicated that they have been working to centralize the contract monitoring function. The following is a summary of the steps DHS has completed so far.

- Established the Centralized Contract Monitoring Division (CCMD) and appointed an acting Director of the CCMD.
- Transferred staff from Public Health to the CCMD to continue monitoring Public Health contractors.
- Together with the Department of Human Resources, identifying staff in other DHS units to transfer to the CCMD to perform contract monitoring.

CCMD has also been working with staff from my Audit Division to develop audit and sampling plans to be used in monitoring Public Private Partnership (PPP) contract clinics. DHS has also transferred staff from the Office of Managed Care to conduct PPP, Community Health Plan, and Healthy Family contract monitoring.

While DHS has made progress in centralizing the contract monitoring function, the CCMD is still in the start-up phase. Therefore, unless otherwise instructed, we plan to delay our review of the unit's effectiveness until it is fully staffed and operating. Based on DHS' plans for staffing and operating the unit, we expect to complete our review, and provide our report to your Board by August 30, 2002.

If you have any questions, please contact me or have your staff call DeWitt Roberts at (213) 974-0301.

JTM:PTM:DR

c: David E. Janssen, CAO  
Violet Varona-Lukens, Executive Office  
Thomas L. Garthwaite, DHS